

**PLEASANT VIEW CITY CORPORATION**  
**Audit Report**  
**Year Ended June 30, 2006**

PLEASANT VIEW CITY CORPORATION

Audit Report

Year Ended June 30, 2006

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**PLEASANT VIEW CITY CORPORATION**

**Audit Report**

**Year Ended June 30, 2006**

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Auditor's Opinion

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor & Members of the City Council  
Pleasant View City Corporation  
Pleasant View City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Pleasant View City Corporation, Utah, as of and for the year ended June 30, 2006. Which collectively comprise the City's financial statements as listed in the Table of Contents. These financial statements are the responsibility of Pleasant View City Corporation, Utah, management. Our responsibility is to express an opinion on financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of Pleasant View City Corporation, Utah, as of June 30, 2006, and the respective changes in financial position and cash flows where applicable of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, we have also issued our report dated November 30, 2006, on our consideration of Pleasant View City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standard and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Pleasant View City Corporation, Utah.

The management's discussion and analysis on pages 3 through 7 and budgetary comparison information on pages 30 through 33 are not a required part of the financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Steve Johnstun & Associates".

Steve Johnstun & Associates  
Certified Public Accountant  
November 30, 2006

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This document is a narrative overview and analysis of the financial activities of Pleasant View City for the year ending June 30, 2006.

### FINANCIAL HIGHLIGHTS

- The total net assets of Pleasant View City increased by \$1,637,893 totaling \$9,428,341. The governmental net assets increased by \$734,659 and the business-type net assets increased by \$903,234.
- The total net assets of governmental and business-type activities is \$9,428,341 and is made up of \$4,286,388 in capital assets, such as land, infrastructure and equipment, and \$5,141,961 in other net assets. The \$5,141,961 in other net assets is made up of \$2,245,146 which is restricted for capital projects such as Roads.
- Total long-term liabilities of the City were decreased by \$76,000.

### REPORTING THE CITY AS A WHOLE

The discussion and analysis is intended to serve as an introduction to Pleasant View City's basic financial statements. Pleasant View City's basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

**The government-wide financial statements** are designed to provide readers with a broad overview of the Pleasant View City's finances, in a manner similar to a private-sector business.

- The statement of net assets presents information on all Pleasant View City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Pleasant View City is improving or deteriorating. However, you will also need to consider other non-financial factors.
- The statement of activities presents information showing how the City's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.
- Both of the government-wide financial statements distinguish functions of Pleasant View City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-wide financial statements can be found on pages 8 & 9 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Pleasant View City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds** - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on the way money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services provided. Governmental fund information helps users determine whether there are more or fewer financial resources available to spend in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The only major governmental funds (as determined by generally accepted accounting principles) are the General Fund and the Road and Sidewalk fund. The rest of the governmental funds are determined to be non-major and are included in the combining statements within this report.

- **Proprietary funds**-Pleasant View City maintains one type of proprietary fund (enterprise funds), which reports the same functions presented as business-type activities in the government-wide financial statements. Pleasant View City uses enterprise funds to account for its Storm Sewer, Solid Waste, Water Utility and Sewer Utility.

As determined by generally accepted accounting principles, all enterprise funds meet the criteria of major fund classification.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Pleasant View City, at June 30, 2006 assets exceed liabilities by \$9,428,341. At June 30, 2005 net assets exceeded liabilities by \$7,990,863.

By far the largest portion of Pleasant View City's net assets (43%) reflect its investment in capital assets (e.g., land, buildings, infrastructure and equipment), less any related outstanding debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Some of the governmental activities for the fiscal year included General Governmental, Public Safety, Highways, Public Works, and Parks and Recreation.



The major Business-type activities expenditures were Salaries and Wages, Professional Services, Depreciation, Sewer Treatment Costs and Waste Collection and Disposal.

## **FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS**

The focus of the City's governmental funds is provided information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements.

As of June 30, 2006, the City's governmental funds (General and Capital Projects) reported combined fund balances of \$3,273,187. This represents an increase of \$543,018 (19.85%) over last year's ending balances. At June 30, 2005 the City's governmental funds reported combined fund balances at \$2,730,169.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund.

Taxes continue to be the largest source of revenue in the General Fund and represent 70% of the total general fund revenues. The two largest elements of the taxes are sales and use taxes and property tax. Sales and use tax represent 31% of the total tax revenue and 22% of the total General Fund revenues. Property tax represents 45% of the total tax revenues and 32% of the total General Fund Revenues.

As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provide the same information for business-type activities (but in much more detail) as is provided in the government-wide financial statements.

Significant changes in the governmental funds include a decrease in long-term debt of \$12,857 due to principle payments of debt. At June 30, 2006 total governmental long-term debt was \$28,982. At June 30, 2005 the total governmental long-term debt was \$41,839.

Significant changes in business-type activities include a decrease in long-term debt of \$76,000 due to payment of bond principle. At June 30, 2006 the total long-term debt of business type activities was \$1,749,000. At June 30, 2005 the total long-term debt of business type activities was \$1,825,000.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

- \$194,000 was transferred to the Road and Sidewalk Fund to help with future road projects.
- \$15,000 was transferred to the Fire Equipment Fund to help fund a future fire department substation.
- \$79,000 was transferred to the Equipment Replacement Fund to help fund the purchase of future equipment (e.g. computers, trucks, snow plows, etc)
- \$44,000 was transferred to the Storm Sewer Fund to help with storm sewer projects.
- \$60,000 was transferred to the Park Development Fund to aide in expanding amenities in the city parks.
- \$101,000 was transferred to the City Hall Fund to fund a future shop and finish the basement in the city offices.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital assets-Pleasant View City's investment in capital assets for its governmental and business-type activities as of June 30, 2006, amounts to \$4,286,380 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure (streets, sidewalks, curb and gutter, etc) and equipment. The total increase in the City's investment in fixed assets for the current year was \$975,925. The City's investment in fixed assets at June 30, 2005 was \$3,310,455.

Major capital assets events during the current fiscal year included the following:

- \$8,526 for the completion of the Barker Park Bowery (two-year project).
- \$118,000 for the purchase of two dump trucks.
- \$40,930 for the completion of a sewer extension at the west end of the city.
- \$116,914 for the refurbishment of a well (two-year project).
- \$527,827 for the continuation of the construction of a new well.

Additional information on the City's capital assets can be found in the footnotes to this financial report.

Long-term debt- At June 30, 2006 the City had a total debt outstanding of \$1,677,558. The majority of Pleasant View City's long-term debt, \$1,670,000, is debt secured solely by specific revenue sources. The city also has leased vehicles for \$7,558. The remainder of the long-term debt comes from compensated absences.

The City's bonded debt decreased by \$76,000 during the fiscal year.

Additional information on the outstanding debt obligations of the City can be found in the footnotes to this report.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of Pleasant View City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Pleasant View City  
520 West Elberta Drive  
Pleasant View, Utah 84414

**PLEASANT VIEW CITY CORPORATION**

**Statement of Net Assets**

**For the year ended June 30, 2006**

<u>Exhibit 1</u>	<b>Primary Government</b>	
	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	3,399,124	2,672,844
Accounts receivable - net	-	101,705
Investments	-	930,556
Sales taxes receivable	48,353	-
Due from other governmental units	76,587	-
Capital Assets:		
Land	236,708	156,261
Improvements	380,612	1,992,097
Equipment	484,292	1,036,410
Total assets	<u>4,625,676</u>	<u>6,889,873</u>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued liabilities	190,159	58,349
Deferred Revenue	60,718	-
Loan payable revenue bonds - current	7,558	79,000
Loan payable revenue bonds - noncurrent	-	1,670,000
Compensated absences	21,424	-
Total liabilities	<u>279,859</u>	<u>1,807,349</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	1,057,612	1,424,739
Restricted for Roads	589,544	-
Unrestricted	2,698,661	3,657,785
Total net assets	<u>4,345,817</u>	<u>5,082,524</u>

See accompanying notes to general purpose financial statements

**PLEASANT VIEW CITY CORPORATION**

**Statement of Activities**

**For the year ended June 30, 2006**

**Exhibit 2**

Function/Programs	Program Revenues			Chgs in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Primary government:</b>					
Governmental activities:					
General government	877,641	500,503	-	-	(377,138)
Public safety	956,623	136,797	47,986	-	(771,840)
Highways and public works	187,056	-	263,369	-	76,313
Parks and recreation	138,216	-	-	-	(138,216)
Interest on long-term debt	-	-	-	-	-
Total governmental activities	2,159,536	637,300	311,355	(1,210,881)	(1,210,881)
<b>Business-type activities:</b>					
Storm Sewer	109,019	234,447	-	-	125,428
Water	198,426	701,869	-	-	503,443
Sewer	209,157	307,421	-	-	98,264
Solid Waste	240,432	239,265	-	-	(1,167)
Total business-type activities	757,034	1,483,002	-	-	725,968
Total primary government	2,916,570	2,120,302	311,355	(1,210,881)	(484,913)
<b>General revenues:</b>					
Property taxes				638,271	638,271
General sales and use tax				518,697	518,697
Franchise tax				446,730	446,730
Highway tax				88,431	88,431
Unrestricted investment earnings				37,509	170,775
Miscellaneous				215,902	259,902
Total general revenues				1,945,540	2,122,806
Change in net assets				903,234	1,637,893
Net assets - beginning (as restated)				4,179,290	7,790,448
Net assets - ending				5,082,524	9,428,341

See accompanying notes to general purpose financial statements

June 30, 2006**Total Assets**10

Pleasant View City Corporation  
Balance Sheet - Governmental Funds  
June 30, 2006

	Governmental Fund Types				Totals	
	General	Capital Projects	Road & Sidewalk	Nonmajor Funds	(Memorandum Only)	2005
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	190,159	-	-	-	190,159	183,004
Compensated Absences	-	-	-	-	-	-
Revenue Collected in Advance	60,718	-	-	-	60,718	64,096
Loans from Other Funds	-	-	-	153,000	153,000	52,000
Lease Obligations	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-
Current Portion of Long-Term Debt	-	-	-	-	-	-
Total Current Liabilities	250,877	-	-	153,000	403,877	299,100
<b>Non-Current Liabilities</b>						
Revenue Bond Payable	-	-	-	-	-	-
Less: Current Portion of Long-Term	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-
Total Liabilities	250,877	-	-	153,000	403,877	299,100
<b>FUND EQUITY</b>						
Contributed Capital	-	-	-	-	-	-
Investments in General Fixed Assets	-	-	-	-	-	-
Retained Earnings:						
Reserved for Revenue Bond	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Fund Balance:						
Reserved For Roads	589,544	-	-	-	589,544	473,192
Undesignated	395,129	1,655,602	783,792	(150,880)	2,683,643	2,256,977
Designated	-	-	-	-	-	-
Total Fund Equity	984,673	1,655,602	783,792	(150,880)	3,273,187	2,730,169
Total Liabilities & Fund Equity	1,235,550	1,655,602	783,792	2,120	3,677,064	3,029,274

See accompanying notes to general-purpose financial statements

**PLEASANT VIEW CITY CORPORATION**

**Balance Sheet Reconciliation to**

**Statement of Net Assets**

**June 30, 2006**

**Exhibit 4**

Total fund balances - governmental fund types:

3,273,187

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

1,101,612

Long-term assets not available to pay for current period expenditures and, therefore, are deferred in the funds

-

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(28,982)

Net assets of government activities

4,345,817

**PLEASANT VIEW CITY CORPORATION**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2006**

**Exhibit 5**

	Governmental Fund Types				Totals	
	General	Capital Projects	Road & Sidewalk	Nonmajor Funds	(Memorandum Only) 2006	2005
<b><u>REVENUES</u></b>						
Taxes and Assessments	1,692,139	-	-	-	1,692,139	1,675,591
Licenses and Permits	289,814	-	-	-	289,814	151,498
Intergovernmental	311,355	-	-	-	311,355	238,360
Charges for Services	208,179	-	-	-	208,179	120,276
Impact Fees	-	145,187	-	-	145,187	138,530
Fines and Forfeitures	136,797	-	-	-	136,797	135,389
Interest & Miscellaneous	45,942	64,058	30,236	795	141,031	100,221
Sale of Assets	11,000	-	-	-	11,000	-
Contributions	-	-	-	-	-	-
Total Revenues	<u>2,695,226</u>	<u>209,245</u>	<u>30,236</u>	<u>795</u>	<u>2,935,502</u>	<u>2,559,865</u>
<b><u>EXPENDITURES</u></b>						
General Government	558,102	-	-	128,223	686,325	377,560
Public Safety	952,150	-	-	-	952,150	920,171
Highways & Public Works	357,824	-	21,347	-	379,171	541,117
Parks and Recreation	122,021	-	-	-	122,021	95,104
Capital Projects	-	208,822	-	-	208,822	259,613
Total Expenditures	<u>1,990,097</u>	<u>208,822</u>	<u>21,347</u>	<u>128,223</u>	<u>2,348,489</u>	<u>2,193,565</u>
Excess of Revenues Over (Under) Expenditures	<u>705,129</u>	<u>423</u>	<u>8,889</u>	<u>(127,428)</u>	<u>587,013</u>	<u>706,928</u>
<b><u>OTHER FINANCING SOURCES AND USES</u></b>						
Transfers	<u>(502,000)</u>	<u>264,000</u>	<u>194,000</u>	<u>-</u>	<u>(44,000)</u>	<u>(65,000)</u>
Excess of Revenues Over (Under) Expenditures & Other Financing Sources and Uses	<u>203,129</u>	<u>264,423</u>	<u>202,889</u>	<u>(127,428)</u>	<u>543,013</u>	<u>301,300</u>
Fund Balances-Beginning of Year	<u>781,545</u>	<u>1,391,178</u>	<u>580,903</u>	<u>(23,452)</u>	<u>2,730,174</u>	<u>2,460,323</u>
Fund Balances-End of Year	<u>984,674</u>	<u>1,655,601</u>	<u>783,792</u>	<u>(150,880)</u>	<u>3,273,187</u>	<u>2,761,623</u>

See accompanying notes to general-purpose financial statements



**PLEASANT VIEW CITY CORPORATION**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances Governmental Funds to the Statement of Activities**  
**For the year ended June 30, 2006**

**Exhibit 6**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	543,013
---	---------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	176,096
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net assets.	-
---	---

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	-
--	---

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	15,550
---	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	-
---	---

Change in net assets of governmental activities	<u>734,659</u>
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**PLEASANT VIEW CITY CORPORATION**

Statement of Net Assets

Proprietary Funds

June 30, 2006

Exhibit 7

ASSETS

Current Assets

Cash  
Accounts Receivable  
Reserve for Bad Debt  
Total Current Assets

	Storm Sewer Fund	Solid Waste Fund	Water Utility Fund	Sewer Utility Fund	Totals 2006
Cash	868,590	229,625	931,538	459,074	2,488,827
Accounts Receivable	8,491	22,691	50,026	20,826	102,034
Reserve for Bad Debt	-	-	(328)	-	(328)
Total Current Assets	877,081	252,316	981,236	479,900	2,590,533

Restricted Assets

Cash-Bond Reserve  
Cash-Replacement Fund  
Cash-Bond Retirement  
Investments  
Total Restricted Assets

	Storm Sewer Fund	Solid Waste Fund	Water Utility Fund	Sewer Utility Fund	Totals 2006
Cash-Bond Reserve	-	-	-	-	-
Cash-Replacement Fund	-	-	-	61,427	61,427
Cash-Bond Retirement	-	-	122,590	-	122,590
Investments	-	-	824,020	106,536	930,556
Total Restricted Assets	-	-	946,610	167,963	1,114,573

Utility Plant in Service

Land  
Water Distribution System  
Sewer System  
Equipment  
Accumulated Depreciation  
Total Utility Plant in Service

	Storm Sewer Fund	Solid Waste Fund	Water Utility Fund	Sewer Utility Fund	Totals 2006
Land	66,331	-	89,930	-	156,261
Water Distribution System	-	-	2,198,016	-	2,198,016
Sewer System	-	-	-	1,154,723	1,154,723
Equipment	394,569	121,045	211,893	40,028	767,535
Accumulated Depreciation	(170,423)	(106,828)	(525,520)	(428,354)	(1,231,125)
Total Utility Plant in Service	290,477	14,217	1,974,319	766,397	3,045,410
Total Assets	1,167,558	266,533	3,902,165	1,414,260	6,750,516

See accompanying notes to general-purpose financial statements

**PLEASANT VIEW CITY CORPORATION**

Statement of Net Assets

Proprietary Funds

June 30, 2006

Exhibit 7 (Con't)

LIABILITIES, RESERVES &

FUND EQUITY

Current Liabilities

Accounts Payable

Compensated Absences

Customer Deposits

Current Portion of Long-Term Debt

Total Current Liabilities

Long Term Liabilities

Revenue Bond Payable

Less: Current Portion LT Debt

Total Long-Term Liabilities

Total Liabilities

Fund Equity

Reserved

Contributions

Residual Equity Transfer for City Hall:

Prior Years

Current Year

Retained Earnings

Total Fund Equity

Total Liabilities & Fund Equity

	Storm Sewer Fund	Solid Waste Fund	Water Utility Fund	Sewer Utility Fund	Totals 2006
	-	-	-	-	-
	437	1,224	2,365	1,182	5,208
	-	-	53,141	-	53,141
	-	-	57,000	22,000	79,000
	437	1,224	112,506	23,182	137,349
	-	-	1,597,000	152,000	1,749,000
	-	-	(57,000)	(22,000)	(79,000)
	-	-	1,540,000	130,000	1,670,000
	437	1,224	1,652,506	153,182	1,807,349
	46,920	-	-	-	46,920
	-	-	-	401,148	401,148
	-	-	(100,000)	(100,000)	(200,000)
	-	-	-	-	-
	1,120,201	265,309	2,349,658	959,930	4,695,098
	1,167,121	265,309	2,249,658	1,261,078	4,943,166
	1,167,558	266,533	3,902,164	1,414,260	6,750,515

See accompanying notes to general -purpose financial statements

**PLEASANT VIEW CITY CORPORATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
Proprietary Funds  
June 30, 2006

Exhibit 8

	Storm Sewer Fund	Solid Waste Fund	Water Utility Fund	Sewer Utility Fund	Totals 2006
<b>OPERATING REVENUES</b>					
Service Fees	234,447	239,265	701,869	307,421	1,483,002
Total Operating Revenue	234,447	239,265	701,869	307,421	1,483,002
<b>OPERATING EXPENSES</b>					
Salaries and Wages	11,251	32,765	83,696	27,776	155,488
Employee Benefits	5,035	12,181	25,814	10,647	53,677
Office Supplies & Expenses	2,133	2,050	770	1,743	6,696
Equipment Supplies & Maintenance	38,825	10,500	-	29,056	78,381
Utilities	-	-	21,083	-	21,083
Professional & Technical Services	22,627	1,100	-	1,376	25,103
Subscriptions & Memberships	-	-	-	-	-
Miscellaneous Supplies	3,752	-	355	-	4,107
Sewage Disposal	-	-	-	109,092	109,092
Depreciation	23,263	6,124	61,586	26,354	117,327
Travel	-	-	-	-	-
Education and Training	-	-	1,733	318	2,051
Bad Debt	-	-	-	-	-
Telephone	-	-	3,389	-	3,389
Refuse Collection	-	175,712	-	-	175,712
Improvements	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Equipment Rental	2,133	-	-	2,133	4,266
Public Notices	-	-	-	-	-
Collection Charges	-	-	-	662	662
Total Operating Expenses	109,019	240,432	198,426	209,157	757,034
Operating Income (Loss)	125,428	(1,167)	503,443	98,264	725,968

See accompanying notes to general-purpose financial statements

**PLEASANT VIEW CITY CORPORATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
Proprietary Funds  
June 30, 2006

Exhibit 8 (Cont)

	Storm Sewer Fund	Solid Waste Fund	Water Utility Fund	Sewer Utility Fund	Totals 2006
<b><u>NON - OPERATING REVENUES</u></b>					
Building Fee Assessment	-	-	-	-	-
Interfund Transfers	44,000	-	-	-	44,000
Miscellaneous	-	-	-	-	-
Interest Earned	30,181	9,457	70,878	22,750	133,266
Connection Fees	-	-	-	-	-
Total Non-Operating Revenues	<u>74,181</u>	<u>9,457</u>	<u>70,878</u>	<u>22,750</u>	<u>177,266</u>
<b><u>NON-OPERATING EXPENSES</u></b>					
Interest on Bonds/Lease	-	-	65,540	9,750	75,290
Operating Transfers to Other Funds	-	-	-	-	-
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>65,540</u>	<u>9,750</u>	<u>75,290</u>
Net Income (Loss) For Year	<u>199,609</u>	<u>8,290</u>	<u>508,781</u>	<u>111,264</u>	<u>827,944</u>
Retained Earnings-Beginning	<u>920,591</u>	<u>257,020</u>	<u>1,840,876</u>	<u>848,665</u>	<u>3,867,152</u>
Retained Earnings-Ending	<u>1,120,200</u>	<u>265,310</u>	<u>2,349,657</u>	<u>959,929</u>	<u>4,695,096</u>
<b><u>Residual Equity Transfer</u></b>					
Prior Years Accumulation	-	-	(100,000)	(100,000)	(200,000)
Current Year	-	-	-	-	-
Retained Earnings After Residual Equity Transfer	<u>1,120,200</u>	<u>265,310</u>	<u>2,249,657</u>	<u>859,929</u>	<u>4,495,096</u>

**PLEASANT VIEW CITY CORPORATION**

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2005

Exhibit 9

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Storm Sewer Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total BTAs</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Receipts from customers	277,891	533,990	257,735	230,448	1,300,064
Payments to suppliers	(38,727)	(133,875)	(139,678)	(170,022)	(482,302)
Payments to employees	(33,490)	(99,244)	(50,023)	(43,058)	(225,815)
Net cash provided (used) by operating activities	<u>205,674</u>	<u>300,871</u>	<u>68,034</u>	<u>17,368</u>	<u>591,947</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>					
Transfers from other funds	<u>65,000</u>	-	-	-	<u>65,000</u>
Net cash provided (used) by noncapital financing activities	<u>65,000</u>	-	-	-	<u>65,000</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>					
Purchases of capital assets	(92,383)	(56,919)	-	-	(149,302)
Proceeds from sale of capital assets	-	182,093	-	-	182,093
Principal paid on capital debt	-	(6,000)	(19,000)	-	(25,000)
Interest paid on capital debt	-	(33,701)	(10,950)	-	(44,651)
Net cash provided (used) by capital and related financing activities	<u>(92,383)</u>	<u>85,473</u>	<u>(29,950)</u>	-	<u>(36,860)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Interest and dividends received	12,128	24,821	10,683	4,830	52,462
Purchase of investments	-	-	(2,521)	-	(2,521)
Net cash provided (used) by investing activities	<u>12,128</u>	<u>24,821</u>	<u>8,162</u>	<u>4,830</u>	<u>49,941</u>
Net increase (decrease) in cash and cash equivalents	190,419	411,165	46,246	22,198	670,028
Cash and cash equivalents - beginning	479,734	189,599	402,071	191,538	1,262,942
Cash and cash equivalents (deficit) - end	<u>670,153</u>	<u>600,764</u>	<u>448,317</u>	<u>213,736</u>	<u>1,932,970</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>					
Operating income	<u>177,941</u>	<u>235,077</u>	<u>43,224</u>	<u>5,926</u>	<u>462,168</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	29,047	70,528	28,290	13,228	141,093
Amortization expense	-	-	-	-	-
(Inc)/decrease in accounts rec.	(1,410)	(8,841)	(3,536)	(1,915)	(15,702)
Increase (decr.) in accounts payable	96	4,107	57	130	4,390
Increase (decr.) in deposits	-	-	-	-	-
Total adjustments	<u>27,733</u>	<u>65,794</u>	<u>24,811</u>	<u>11,443</u>	<u>129,781</u>
Net cash provided (used) by operating activities	<u>205,674</u>	<u>300,871</u>	<u>68,035</u>	<u>17,369</u>	<u>591,949</u>

See accompanying notes to general purpose financial statements

**Notes to General Purpose Financial Statements**

PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**I. A. Introduction**

The financial statements of the City of Pleasant View City, Utah are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The City's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Standards Board (ASB) pronouncements and Accounting Principals Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

**I. B.1. Financial Reporting Entity**

Pleasant View City is incorporated under the laws of the State of Utah and operates within the classification of a third-class City. The City government is operated under a mayor and five-member council who are elected for four-year terms. Appointed officers are city recorder, city treasurer, and department heads for the police department and public works. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the City's reporting entity.

**I. B.2. Government-wide and Fund Financial Statements**

The City's basic financial statements consist of both government-wide statements and fund statements. The Government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

The government-wide statements present information on all non-fiduciary activities of primary government. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Assets* presents the City's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are restricted when constraints places upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrated the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.



PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

Governmental Fund Types

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

*General Fund* – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

*Capital Projects Fund* – The capital projects fund is used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

*Special Revenue Fund* – The special revenue fund is used to account for specific revenues that are legally restricted to expenditure for particular purposes. Transactions of the Redevelopment Agency are accounted for in this fund.

Proprietary Fund Types

Proprietary funds use the economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings.

I. C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses normally arise from providing goods and services in connection with the fund's normal ongoing operations. The principal sources of operating revenues for the proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative overhead expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

The City has adopted GASB Statement No.20. *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. Accordingly, the City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Consequently, the City does not apply FASB pronouncements issued after November 30, 1989.

I. D. Budgetary Data

I. D.1. Budget Policy and Practice

The City operates within the budget requirements for third class cities as specified by state law. The financial reports reflect the following budgetary standards:

- a. For the fiscal year beginning July 1 the City Recorder prepares a tentative budget, which is presented to the City Council at the first scheduled council meeting in the prior May.
- b. By resolution the Council adopts a proposed tax rate and budget by June 22 after a public hearing. If there is no increase in the certified tax rate a final budget is adopted by June 22. If there is an increase in the certified tax rate a final budget is adopted by resolution by August 10 after a public hearing.
- c. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with consent of the budget officer.
- d. Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund.
- e. Budgets in budgetary funds may be increased by council resolution after public hearing.
- f. The Council shall adopt final amendments to the current year budget no later than the last day of the fiscal year.

**PLEASANT VIEW CITY CORPORATION**  
**Notes to General Purpose Financial Statements**  
**June 30, 2006**

**I. E. Fixed Assets, Depreciation, and Long-term Liabilities**

Property, plant, and equipment of all funds are stated at historical cost. Donated fixed assets are stated at their fair value on the date donated. Governmental fund fixed assets are recorded in the government column in the government-wide financial statements. The City has elected not to report public domain or infrastructure fixed assets that are immovable and of value only to the city government. Accumulated Depreciation is reported on the Statement of Net Assets. Proprietary fund fixed assets are recorded in the respective funds and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and grounds	5 - 50
Improvements	2 - 50
Mobile equipment	3 - 30
Furniture, fixtures, and equipment	3 - 50

Long-term liabilities, expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in governmental funds.

**I. F. Property Tax Calendar**

Property taxes are attached as an enforceable lien of property as of January 1. Taxes are levied in June for the next fiscal year beginning July 1 and are due November 30. Property tax revenues are not recognized when levied because they are not expected to be collected within 60 days after the end of the current year.

**II. DETAILED NOTES ON FUNDS AND ACCOUNT GROUPS**

**II. A. Assets**

**II. A.1. Cash, Cash Equivalents & Investments**

Cash includes currency on hand and demand deposits with banks or other financial institutions. Demand deposits include accounts where the city may deposit or withdraw funds at any time without prior notice or penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less.

The city follows the requirements of the Utah Money Management Act (Utah Code annotated 1953, Section 541, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of city funds in a "qualified depository". The act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirements of the act and adhering to the rules of the Utah Money Management Council.

PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the city and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

At June 30, 2006 the carrying amount of the city deposits was \$7,002,442 of which \$5,600,518 was deposited in the Utah State Treasurer's Investment pool. The bank balance was \$253,966 of which Federal Depository Insurance covered \$100,000. The remaining bank balance of \$153,966 and the amount deposited in the Utah State Treasurer's Investment Pool was uncollateralized or collateralized with securities held by the pledging financial institution's Trust department or agent but not in the City's name.

Deposits

*Custodial credit risk* – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2006, \$153,966 of the City's bank balance of \$253,966 was uninsured and uncollateralized.

*Interest rate risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less.

*Credit risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

*Concentration of credit risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City's investment in the Utah Public Treasurers Investment Fund has no concentration of credit risk.

*Custodial credit risk (investments)* – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. The City's investment in the Utah Public Treasurers Investment Fund has no custodial credit risk.

II. A.2. Investments

None

II. A.3. Accounts Receivable

General Fund Accounts Receivable	
Development Receivables	(5,188)
Other Receivables	124,940
Storm Sewer Fund	
Storm Sewer Utility Billings 6/30/06	8,491
Water Fund	
Water Utility Billings 6/30/06	50,026
Sewer Fund	
Sewer Utility Billings 6/30/06	20,826
Solid Waster Fund	
Garbage Utility Billings 6/30/06	<u>22,691</u>
Total Accounts Receivable	<u>221,786</u>

**A.4. Reserve for Bad Debt**

The Water Utility fund reserve for bad debt is the amount of receivables deemed to be uncollectable. The amounts estimated are \$328 at June 30, 2006.

**PLEASANT VIEW CITY**  
**Notes to Financial Statements**  
**June 30, 2006**

**II. A.5 Capital Assets**

Capital asset activity for the year ended June 30, 2006 was as follows:

<b>Primary Government</b>	<b>Beginning</b>			<b>Ending</b>
<b>Governmental activities:</b>	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
Capital assets not being depreciated:				
Land	236,708	-	-	236,708
Total capital assets not being depreciated	236,708	-	-	236,708
Capital assets being depreciated:				
Buildings	291,479	-	-	291,479
Improvements	216,056	-	-	216,056
Machinery and equipment	1,502,416	241,151	-	1,743,567
Infrastructure	-	-	-	-
Total capital assets being depreciated	2,009,951	241,151	-	2,251,102
Less accumulated depreciation for:				
Buildings	291,479	-	-	291,479
Improvements	-	-	-	-
Machinery and equipment	1,073,664	65,054	-	1,138,718
Infrastructure	-	-	-	-
Total accumulated depreciation	1,365,143	65,054	-	1,430,197
Total capital assets, being depreciated, net	644,808	176,097	-	820,905
Governmental activities capital assets, net	881,516	176,097	-	1,057,613
<b>Business-type activities:</b>	<b>Beginning</b>			<b>Ending</b>
Capital assets not being depreciated:	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
Land	156,261	-	-	156,261
Total capital assets not being depreciated	156,261	-	-	156,261
Capital assets being depreciated:				
Buildings	-	-	-	-
Improvements	2,771,968	-	-	2,771,968
Machinery and equipment	602,502	754,447	(19,673)	1,337,276
Total capital assets being depreciated	3,374,470	754,447	(19,673)	4,109,244
Less accumulated depreciation for:				
Buildings	-	-	-	-
Improvements/Infrastructure	725,708	65,192	-	790,900
Machinery and equipment	268,273	52,135	(19,542)	300,866
Total accumulated depreciation	993,981	117,327	(19,542)	1,091,766
Total capital assets, being depreciated, net	2,380,489	637,120	(131)	3,017,478
Business-type activities capital assets, net	2,536,750	637,120	(131)	3,173,739

**PLEASANT VIEW CITY**  
**Notes to Financial Statements**  
**June 30, 2006**

**II. A.5 Capital Assets (cont)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities:**

General government	23,324
Public safety	32,736
Highways and public improvements	4,560
Parks and recreation	4,434
<b>Total depreciation expense - governmental activities</b>	<b><u>65,054</u></b>

**Business-type activities:**

Sewer	26,354
Water	61,586
Solid Waste	6,124
Storm Sewer	23,263
<b>Total depreciation expense - Business-Type Activities</b>	<b><u>117,327</u></b>
<b>Total depreciation expense</b>	<b><u>182,381</u></b>

**Governmental activities**

<b>Machinery and equipment:</b>	<b>Beginning</b>	<b>Acquisitions</b>	<b>Dispositions</b>	<b>Ending</b>
Furniture and equipment	155,810	123,151	-	278,961
Machinery and equipment	971,094	-	-	971,094
Vehicles	375,512	118,000	-	493,512
<b>Total machinery &amp; equipment</b>	<b><u>1,502,416</u></b>	<b><u>241,151</u></b>	<b><u>-</u></b>	<b><u>1,743,567</u></b>

**Accum. deprec. - Machinery and equipment:**

	<b>Beginning</b>	<b>Depreciation</b>	<b>Dispositions</b>	<b>Ending</b>
Furniture and equipment	157,852	13,271	-	171,123
Machinery and equipment	546,862	26,944	-	573,806
Vehicles	368,950	24,839	-	393,789
<b>Total machinery &amp; equipment</b>	<b><u>1,073,664</u></b>	<b><u>65,054</u></b>	<b><u>-</u></b>	<b><u>1,138,718</u></b>

**Business-type activities**

<b>Machinery and equipment:</b>	<b>Beginning</b>	<b>Acquisitions</b>	<b>Dispositions</b>	<b>Ending</b>
Furniture and equipment	7,604	-	-	7,604
Machinery and equipment	203,017	754,447	-	957,464
Vehicles	264,629	-	-	264,629
<b>Total machinery &amp; equipment</b>	<b><u>475,250</u></b>	<b><u>754,447</u></b>	<b><u>-</u></b>	<b><u>1,229,697</u></b>

**Accum. deprec. - Machinery and equipment:**

	<b>Beginning</b>	<b>Depreciation</b>	<b>Dispositions</b>	<b>Ending</b>
Furniture and equipment	7,604	-	-	7,604
Machinery and equipment	159,584	25,865	-	185,449
Vehicles	163,781	25,436	-	189,217
<b>Total machinery &amp; equipment</b>	<b><u>330,969</u></b>	<b><u>51,301</u></b>	<b><u>-</u></b>	<b><u>382,270</u></b>

**PLEASANT VIEW CITY CORPORATION**  
**Notes to General Purpose Financial Statements**  
**June 30, 2006**

**II. B. Liabilities**

**II. B.1. General Long-Term Debt**

The following is a summary of changes in the general long-term debt

	Balance 07/01/2005	Increases	Decreases	Balance 06/30/2006
Compensated Absences Payable	18,731	2,693		21,424
Lease Obligation	23,108	-	15,550	7,558
Total Long Term Debt Account Group	<u>41,839</u>	<u>2,693</u>	<u>15,550</u>	<u>28,982</u>

Compensated absences are accrued in the Long-Term Debt account group based on the total vacation and compensatory hours unused at June 30, 2005. The vacation hours are multiplied by the employees respective pay rates, and the compensatory time is multiplied by the employees respective pay rate at time and one-half, as required by the Fair Labor Standards Act, to arrive at total compensated absences payable.

**II. B.2. Deferred Revenues**

The revenues collected in advance are 2006 property taxes that will be recorded as revenues in the 2006/07 fiscal year.

**II. B.3. Proprietary Fund Changes in Long-Term Debt**

The following is a summary of Proprietary Fund changes in long-term debt transactions of the City for the year ended June 30, 2006.

	Outstanding July 1, 2005	Additions	Reductions	Outstanding June 30, 2006
<b><u>REVENUE BONDS</u></b>				
Sewer Revenue	173,000	-	21,000	152,000
Water Utility 89B	-	-	-	-
Water Utility 2004	1,652,000	-	55,000	1,597,000
Total Bonds	<u>1,825,000</u>	<u>-</u>	<u>76,000</u>	<u>1,749,000</u>



PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

II. B.3. Proprietary Fund Changes in Long-Term Debt (Con't)

A. Sewer Utility

1. Revenue Bond Series 9-1-1971 annual interest rate is 6%, due semi-annually on September 15, and March 15. Principal payments are due September 1st of each year as per bond schedule shown on following page.

152,000

B. Water Utility

1. Water Revenue Bond issue 2004 payable to US Bank. Interest at 2.75% to 4.7% due semi-annually on April 1 and October 1, with principal as per bond amortization schedule.

1,597,000

Total Proprietary Fund Long-Term Debt 1,749,000

PLEASANT VIEW CITY  
Notes to General Purpose Financial Statements  
June 30, 2006

II. B.3. Proprietary Fund Changes in Long-Term Debt (Con't)

Sewer Revenue Bond Schedule

The bonds shall mature serially in numerical order on September 1, of each of the years and be numbered as follows:

<u>Bond Number</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
299 to 320	2006	22,000	8,460	30,460
321 to 343	2007	23,000	7,110	30,110
344 to 367	2008	24,000	5,700	29,700
368 to 393	2009	26,000	4,200	30,200
394 to 421	2010	28,000	2,580	30,580
422 to 450	2011	29,000	870	29,870
Total		<u>152,000</u>	<u>28,920</u>	<u>180,920</u>

Water Revenue Bond Schedule

The annual requirements to amortize bonded debt as of June 30, 2006 follows:

<u>Year</u>	<u>Series 2004 Amount Maturing 1-Apr</u>	<u>Total Principal Maturing Per Fiscal Year</u>	<u>Interest</u>	<u>Total Debt Service</u>
2007	57,000.0	57,000.0	63,872.0	120,872
2008	59,000.0	59,000.0	61,927.5	120,928
2009	61,000.0	61,000.0	59,736.0	120,736
2010	63,000.0	63,000.0	57,317.0	120,317
2011	66,000.0	66,000.0	54,671.0	120,671
2012	69,000.0	69,000.0	51,767.0	120,767
2013	72,000.0	72,000.0	48,629.0	120,629
2014	76,000.0	76,000.0	45,261.0	121,261
2015	79,000.0	79,000.0	41,656.5	120,657
2016	83,000.0	83,000.0	38,140.0	121,140
2017	86,000.0	86,000.0	34,760.0	120,760
2018	89,000.0	89,000.0	31,260.0	120,260
2019	93,000.0	93,000.0	27,620.0	120,620
2020	97,000.0	97,000.0	23,820.0	120,820
2021	101,000.0	101,000.0	19,860.0	120,860
2022	105,000.0	105,000.0	15,740.0	120,740
2023	109,000.0	109,000.0	11,460.0	120,460
2024	114,000.0	114,000.0	7,000.0	121,000
2025	118,000.0	118,000.0	2,360.0	120,360
Total	<u>1,597,000</u>	<u>1,597,000</u>	<u>696,857</u>	<u>2,293,857</u>

PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

**II. B.4. Restricted Funds/Designated Funds**

In this note, the Road Funds and Liquor Funds are included in the fund balance of the General Fund on page 3, Exhibit 1.

	<u>Restricted Funds</u>	
	<u>Road Funds</u>	<u>Liquor Funds</u>
Restricted Balanced July 1, 2005	314,581	-
<b><u>REVENUE</u></b>		
State Road Allotments	263,369	-
Interest Earned	77,397	-
State Liquor Allotment	-	5,211
Total available Restricted Funds	<u>655,347</u>	<u>5,211</u>
<b><u>EXPENDITURES</u></b>		
Liquor Control Costs	-	5,211
Highway Construction	<u>65,803</u>	-
Total Expenditures	<u>65,803</u>	<u>5,211</u>
Restricted Balance June 30, 2006	<u>589,544</u>	<u>-</u>

**II. B.5. Interest Expense**

The Proprietary Fund incurred \$75,290 in interest expense all of which was charged to expense

**III. COMPLIANCE**

**III. A.1. Retirement System**

Plan Description

Pleasant View City contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Retirement System of employers with Social Security Coverage, cost-sharing, multiple-employer defined benefit pension plans administered by the Utah Retirement Systems. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

### III. A.1. Retirement System

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

#### Funding Policy

Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Pleasant View City is required to contribute 7.08% of their annual covered salary. In the Local Governmental Noncontributory Retirement System the City is required to contribute 11.09% of their annual covered salary. In the Public Safety Retirement System for employers with Social Security coverage the City is required to contribute 19.34% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City's contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2006, 2005, and 2004 were \$10,180, \$9,352, and \$7,358 respectively and for the Noncontributory Retirement System the contributions for June 30, 2006, 2005, and 2004 were \$40,704, \$28,300, and \$24,805 respectively and for the Public Safety Retirement System the contributions for June 30, 2006, 2005 and 2004 were \$48,913, \$44,169, and \$36,231 respectively. The contributions were equal to the required contributions for each year.

The Utah Retirement Systems have adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This resulted in reporting the 457 plans as a "Trust Fund" rather than an "Agency Fund" as previously reported. Now all of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer. The assets are no longer assets of the City and are not included in the City's Financial Statements.

### III. A.2. Fire Department Agreement

The fire department expenditure included in the financial statements of Pleasant View City Corporation is known as North View Fire Department. North View Fire Department is governed by an agreement between the cities of North Ogden, Pleasant View, and Harrisville. This agreement places the mayors of each City as the administrative body for the North View Fire Department but give North Ogden City authority to budget and have control over the financial aspects of the fire department. Therefore, the fire department is reported within the financial statements of North Ogden City Corporation and Pleasant View City only records the annual allocated expenditure.

PLEASANT VIEW CITY CORPORATION  
Notes to General Purpose Financial Statements  
June 30, 2006

III. A.3. Redevelopment Agency

In 2002 the City created a redevelopment agency to account for revenues derived from specific taxes, which are designated to finance particular functions of the city. In accordance with Utah Code Section 17A-2-1217(3), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2006:

- A. There were no taxes collected by the Agency during the 2006 fiscal year.
- B. There were no taxes paid by the Agency during the fiscal year 2006.
- C. The Agency owed \$151,000 to other funds at June 30, 2006.
- D. The Agency spent \$128,223 for administrative & public works for the project.

III. A.4. Subsequent Events

Subsequent to June 30, 2006, the city entered into a new lease agreement with Zions Bank for the purchase of police cars. The total principle due on the lease is \$23,972.

### Required Supplementary Information

**PLEASANT VIEW CITY CORPORATION**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget (G.A.A.P. Basis) and Actual**  
**General and Capital Project Fund Types**  
**Year Ended June 30, 2006**

**Statement A-1**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Taxes and Assessments	1,631,986	1,724,000	1,729,547	5,547
Licenses and Permits	151,498	274,475	289,813	15,338
Intergovernmental	238,360	260,711	264,662	3,951
Charges for Services	120,276	191,550	208,179	16,629
Fines and Forfeitures	135,389	138,500	136,797	(1,703)
Interest & Miscellaneous	21,128	39,000	45,942	6,942
Sale of Assets	-	11,000	11,000	-
Total Revenues	<u>2,298,637</u>	<u>2,639,236</u>	<u>2,685,940</u>	<u>46,704</u>
<b>EXPENDITURES</b>				
General Government	374,955	599,840	558,102	41,738
Public Safety	920,171	982,365	952,150	30,215
Highways & public works	303,932	571,800	357,824	213,976
Parks and Recreation	95,104	118,900	122,021	(3,121)
Total Expenditures	<u>1,694,162</u>	<u>2,272,905</u>	<u>1,990,097</u>	<u>282,808</u>
Excess of Revenues Over (Under) Expenditures	<u>604,475</u>	<u>366,331</u>	<u>695,843</u>	<u>329,512</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>385,000</u>	<u>603,000</u>	<u>502,000</u>	<u>(101,000)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures	<u>989,475</u>	<u>969,331</u>	<u>1,197,843</u>	<u>228,512</u>
Fund Balances-Beginning of Year	<u>781,545</u>	<u>781,545</u>	<u>781,545</u>	<u>-</u>
Fund Balances-End of Year	<u>1,771,020</u>	<u>1,750,876</u>	<u>1,979,388</u>	<u>228,512</u>

See accompanying notes to general-purpose financial statements

**PLEASANT VIEW CITY CORPORATION**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget (G.A.A.P. Basis) and Actual**  
**General and Capital Project Fund Types**  
**Year Ended June 30, 2006**

**Statement A-1 (cont)**

	<u>Road &amp; Sidewalk Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b><u>REVENUES</u></b>			
Contributions	4,000	4,000	-
Interest Earned	24,000	26,236	2,236
Miscellaneous Revenue	194,000	194,000	-
Total Revenues	<u>222,000</u>	<u>224,236</u>	<u>2,236</u>
<b><u>EXPENDITURES</u></b>			
Road & Sidewalk	<u>452,500</u>	<u>21,347</u>	<u>431,153</u>
Total Expenditures	<u>452,500</u>	<u>21,347</u>	<u>431,153</u>
Excess of Revenues Over (Under) Expenditures	<u>(230,500)</u>	<u>202,889</u>	<u>433,389</u>
Fund Balances-Beginning of Year	<u>580,903</u>	<u>580,903</u>	<u>-</u>
Fund Balances-End of Year	<u>350,403</u>	<u>783,792</u>	<u>433,389</u>

See accompanying notes to general purpose financial statements



**PLEASANT VIEW CITY CORPORATION**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget (G.A.P. Basis) and Actual**  
**General and Capital Project Fund Types**  
**Year Ended June 30, 2006**

Statement A-1 (cont)

	Capital Project Fund		
	Budget	Actual	Variance
<b><u>REVENUES</u></b>			
Contributions	-	-	-
Taxes and Assessments	129,340	145,187	15,847
Interest Earned	53,600	64,058	10,458
Total Revenues	<u>182,940</u>	<u>209,245</u>	<u>26,305</u>
<b><u>EXPENDITURES</u></b>			
Capital Projects	<u>309,133</u>	<u>208,822</u>	<u>100,311</u>
Total Expenditures	<u>309,133</u>	<u>208,822</u>	<u>100,311</u>
Excess of Revenues Over (Under) Expenditures	<u>(126,193)</u>	<u>423</u>	<u>126,616</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Sale of Assets	-	-	-
Transfers In (Out)	<u>264,000</u>	<u>264,000</u>	<u>-</u>
Excess of Revenue and Other Sources Over (Under) Expenditures & Other Uses	<u>137,807</u>	<u>264,423</u>	<u>126,616</u>
Fund Balances-Beginning of Year	<u>1,391,178</u>	<u>1,391,178</u>	<u>-</u>
Fund Balances-End of Year	<u>1,528,985</u>	<u>1,655,601</u>	<u>(126,616)</u>

## Supplementary Information

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**PLEASANT VIEW CITY CORPORATION**

**General Fund**

**Comparative Balance Sheet**

**June 30, 2006 and 2005**

**Statement A-2**

	<b><u>Fiscal Year</u></b> <b><u>2006</u></b>	<b><u>Fiscal Year</u></b> <b><u>2005</u></b>
<b><u>ASSETS</u></b>		
Cash	957,610	857,612
Accounts Receivable	124,940	119,033
Loans to Other Funds	153,000	52,000
Prepaid Expenses	-	-
<b>Total Assets</b>	<b><u>1,235,550</u></b>	<b><u>1,028,645</u></b>
<b><u>LIABILITIES &amp; FUND BALANCE</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable	190,159	183,004
Revenue Collected in Advance	<u>60,718</u>	<u>64,096</u>
<b>Total Liabilities</b>	<b><u>250,877</u></b>	<b><u>247,100</u></b>
<b><u>Fund Balance</u></b>		
Reserve For Roads	589,544	-
Unappropriated	395,129	781,545
<b>Total Fund Balance</b>	<b><u>984,673</u></b>	<b><u>781,545</u></b>
<b>Total Liabilities &amp; Fund Balance</b>	<b><u>1,235,550</u></b>	<b><u>1,028,645</u></b>

See accompanying notes to the general-purpose financial statements

**PLEASANT VIEW CITY CORPORATION**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (G.A.A.P. Basis) and Actual**  
**Year Ended June 30, 2006**

Statement A-3

	2006 Budget	2006 Actual	Variance	2005 Actual
<b><u>REVENUES</u></b>				
Taxes and Assessments	1,724,000	1,729,547	5,547	1,631,986
Licenses and Permits	274,475	289,813	15,338	151,498
Intergovernmental	260,711	264,662	3,951	238,360
Charges for Service	191,550	208,179	16,629	120,276
Fines and Forfeitures	138,500	136,797	(1,703)	135,389
Miscellaneous	39,000	45,942	6,942	21,128
Sale of Assets	11,000	11,000	-	17,800
Total Revenues	<u>2,639,236</u>	<u>2,685,940</u>	<u>46,704</u>	<u>2,316,437</u>
<b><u>EXPENDITURES</u></b>				
General Government	599,840	558,102	(41,738)	374,955
Public Safety	982,365	952,150	(30,215)	920,171
Streets and Highways	571,800	357,824	(213,976)	303,932
Parks and Recreation	118,900	122,021	3,121	95,104
Total Expenditures	<u>2,272,905</u>	<u>1,990,097</u>	<u>(282,808)</u>	<u>1,694,162</u>
Excess of Revenues Over (Under) Expenditures	<u>366,331</u>	<u>695,843</u>	<u>329,512</u>	<u>622,275</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers	<u>603,000</u>	<u>502,000</u>	<u>(101,000)</u>	<u>385,000</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>969,331</u>	<u>1,197,843</u>	<u>228,512</u>	<u>1,007,275</u>
Fund Balance Beginning	<u>781,545</u>	<u>781,545</u>	<u>-</u>	<u>319,721</u>
Fund Balance Ending	<u>1,750,876</u>	<u>1,979,388</u>	<u>228,512</u>	<u>1,326,996</u>

See accompanying notes to general-purpose financial statements

Statement B-1

ASSETS

Cash and cash equivalents  
A/R - special assessment  
Total assets

LIABILITIES AND FUND BALANCES

Liabilities:

Notes payable - interfund  
Bonds payable  
Impact fees payable  
Total liabilities

Fund balances:

Fund balances reserved for:  
Park Development Fund  
Equip. Rep. Fund  
City Hall Building Fund  
Fire Equip. & Fac. Fund  
Open Space Impact Fund  
Wadman Park Develop.  
Total fund balances  
Total Liabilities and fund bal

PLEASANT VIEW CITY CORPORATION

Capital Project Funds  
Combining Balance Sheet  
June 30, 2006

Park Development Fund	Capital Project Funds						Total Capital Projects
	Equipment Replacement Fund	City Hall Building Fund	Fire Equipment & Facility Fund	Open Space Impact Fund	Wadman Park Develop. Fund		
446,821	233,810	400,079	257,289	130,868	186,735		1,655,602
<u>446,821</u>	<u>233,810</u>	<u>400,079</u>	<u>257,289</u>	<u>130,868</u>	<u>186,735</u>		<u>1,655,602</u>
-	-	-	-	-	-		-
-	-	-	-	-	-		-
-	-	-	-	-	-		-
-	-	-	-	-	-		-
-	-	-	-	-	-		-
446,821	-	-	-	-	-		446,821
-	233,810	-	-	-	-		233,810
-	-	400,079	-	-	-		400,079
-	-	-	257,289	-	-		257,289
-	-	-	-	130,868	-		130,868
-	-	-	-	-	186,735		186,735
<u>446,821</u>	<u>233,810</u>	<u>400,079</u>	<u>257,289</u>	<u>130,868</u>	<u>186,735</u>		<u>1,655,602</u>
<u>446,821</u>	<u>233,810</u>	<u>400,079</u>	<u>257,289</u>	<u>130,868</u>	<u>186,735</u>		<u>1,655,602</u>

See accompanying notes to general purpose financial statements

**PLEASANT VIEW CITY CORPORATION**

**Capital Projects Funds**

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Year End June 30, 2006**

Statement B-2

	Capital Project Funds						Total
	Park Development Fund	Equipment Replacement Fund	City Hall Building Fund	Fire Equipment & Facility Fund	Open Space Impact Fund	Wadman Park Develop. Fund	Nonmajor Gvrl. Funds
<b>REVENUES:</b>							
Property taxes	-	-	-	-	-	-	-
Impact fees	112,961	-	-	32,226	-	-	145,187
Miscellaneous	20,285	8,661	12,921	9,983	4,883	7,325	64,058
Total	133,246	8,661	12,921	42,209	4,883	7,325	209,245
<b>EXPENDITURES:</b>							
General government	-	114,348	50,288	-	663	-	165,299
Public safety	-	-	-	31,762	-	-	31,762
Parks and recreation	11,761	-	-	-	-	-	11,761
Debt Service:	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total	11,761	114,348	50,288	31,762	663	-	208,822
Excess of revenues over (under) expenditures	121,485	(105,687)	(37,367)	10,447	4,220	7,325	423
Other financing sources (uses):							
Transfers In	60,000	79,000	110,000	15,000	-	-	264,000
Total other fin. sources (uses)	60,000	79,000	110,000	15,000	-	-	264,000
Excess R&OSO(U)E&OU	181,485	(26,687)	72,633	25,447	4,220	7,325	264,423
Fund Balances - Begin	265,336	260,497	327,445	231,842	126,648	179,410	1,391,178
Fund Balances - End	446,821	233,810	400,078	257,289	130,868	186,735	1,655,601

See accompanying notes to general purpose financial statements

**Pleasant View City  
Fire Department Impact Fees  
6/30/2006**

**2005-2006**

Grand Total 2004-05	\$(154,059.24)
Impact Fees:	\$ 32,226.49
Interest Earned:	\$ -
Expenses:	
Bond Payment (N.V. Fire Station)	<u>\$ (31,761.86)</u>
New Revenue/Expenses	<u>\$ 464.63</u>
Grand Total 2005-06	<u><u>\$(153,594.61)</u></u>

**2006-2007**

Designated:  
    Bond Payments

**Future Years**

Not Applicable with a negative balance.

**Pleasant View City  
Open Space Impact Fees  
6/30/2006**

**2005-2006**

Grand Total 2004-05	\$ 126,998.15
Impact Fees:	\$ 662.88
Interest Earned:	\$ 4,883.02
Expenses:	
Land Purchase	\$ -
New Revenue/Expenses	\$ 5,545.90
Grand Total 2005-06	<u><u>\$ 132,544.05</u></u>

**2006-2007**

Designated:  
    Begin land purchase negotiations

**Future Years**

Funds to be expended in:	
2009-10	\$ 3,799.88
2010-11	\$ 123,198.27
2011-12	\$ 5,545.90
	<u><u>\$ 132,544.05</u></u>



**Pleasant View City  
Park / Open Space Impact Fees  
6/30/2006**

**2005-2006**

Grand Total 2004-05	\$(112,024.59)
Impact Fees:	\$ 112,961.01
Interest Earned:	\$ -
Expenses:	
Barker Park Bowery (eng)	\$ -
Barker Park Bowery (constr)	\$ (8,526.40)
New Revenue/Expenses	<u>\$ 104,434.61</u>
Grand Total 2005-06	<u><u>\$ (7,589.98)</u></u>

**2006-2007**

Designated for Improvements of Shady Lane Park:

Parking Lot	\$ 80,000.00
Auto-Sprinklers	\$ 20,000.00
Bleachers	\$ 2,500.00
Restrooms	\$ 80,000.00
Weland Mitigation on Wadman Park	\$ 15,000.00
	<u><u>\$ 197,500.00</u></u>

**Future Years**

Not Applicable with a negative balance.

**Pleasant View City  
Sanitary Sewer Impact Fees  
6/30/2006**

**2005-2006**

Grand Total 2004-05	\$ (224,325.70)
Impact Fees:	\$ 89,292.50
Interest Earned:	\$ -
Expenses:	
Bond Principal	\$ (21,000.00)
Bond Interest Expense	\$ (9,750.00)
Parkland Ext. (constr)	\$ (40,930.00)
New Revenue/Expenses	<u>\$ 17,612.50</u>
Grand Total 2005-06	<u><u>\$ (206,713.20)</u></u>

**2006-2007**

Designated:

Not applicable at this time

\$	-
----	---

**Future Years**

Not Applicable with a negative balance.

**Pleasant View City  
Storm Sewer Impact Fees  
6/30/2006**

**2005-2006**

Grand Total 2004-05	\$ 634,383.16
Impact Fees:	\$ 146,270.90
Interest Earned:	\$ 26,891.18
Expenses:	
Storm Water Master Study (eng)	\$ (21,569.00)
600 W Project (const)	\$ (1,847.60)
Up-Size (Westview subd)	\$ (10,246.74)
New Revenue/Expenses	<u>\$ 139,498.74</u>
Grand Total 2005-06	<u><u>\$ 773,881.90</u></u>

**2006-2007**

Designated:	
Land Purchases for Detention Basin	\$ 80,000.00
Construct	\$ 200,000.00
Engineer Detention Basin	\$ 20,000.00
Update Storm Sewer Impact Study	\$ 10,000.00
	<u>\$ 310,000.00</u>

**Future Years**

Funds to be expended in:	
2006-07	\$ 126,731.28
2007-08	\$ 121,684.11
2008-09	\$ 95,551.17
2009-10	\$ 117,475.80
2010-11	\$ 139,054.12
2011-12	\$ 173,385.42
	<u><u>\$ 773,881.90</u></u>

**Pleasant View City  
Water Impact Fees  
6/30/2006**

**2005-2006**

Grand Total 2004-05	\$ (550,452.56)
Impact Fees:	\$ 287,385.39
Interest Earned:	\$ -
Expenses:	
Water Well Project/Jessie Creek (prof)	\$ (4,802.92)
Water Well Project/Jessie Creek (eng)	\$ (47,509.71)
Water Well Project/Jessie Creek (constr)	\$ (474,856.88)
New Revenue/Expenses	\$ (239,784.12)
Grand Total 2005-06	<u>\$ (790,236.68)</u>

**2006-2007**

Designated:	
Not applicable at this time	
	<u>\$ -</u>

**Future Years**

Not Applicable with a negative balance.



**Report on Compliance and Internal Control over Financial Reporting Based on an Audit of  
Financial Statements performed in accordance with Government Auditing Standards**

Honorable Mayor & Members of the City Council  
Pleasant View City Corporation  
Pleasant View, Utah

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Pleasant View City, Utah, for the year ended June 30, 2006, and have issued our report thereon dated November 30, 2006. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pleasant View City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Pleasant View City, Utah. In a separate letter dated November 30, 2006.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Pleasant View City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. Our consideration of the internal control may not disclose all reportable conditions.

This report is intended for the information of the management, and City council. However, this report is a matter of public record and its distribution is not limited.

*Steve Johnstun & Associates*

Steve Johnstun & Associates  
Certified Public Accountant  
November 30, 2006



### AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

We have audited the general-purpose financial statements of Pleasant View City Corporation, Utah, for the year ended June 30, 2005, and have issued our report thereon dated November 30, 2006. As part of our audit, we have audited Pleasant View City Corporation, Utah, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, reporting; or earmarking; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2006. The City received the following major State Assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

Our audit also included test work on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt	B & C Road Funds
Cash Management	Justice Courts
Purchasing Requirements	Uniform Building Code Standards
Budgetary Compliance	Liquor Law enforcement
Other General Issues	Truth in Taxation
	Property Tax Limitations

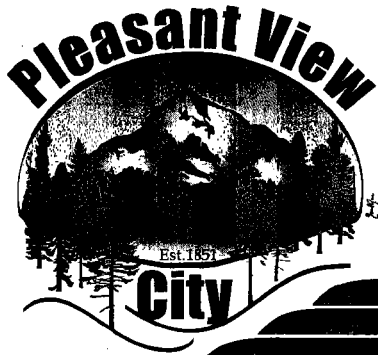
The management of Pleasant View City Corporation, Utah, is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the material noncompliance with the requirements referred to the above occurred. An audit included examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Pleasant View City Corporation, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special test and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2005.

Steve Johnstun & Associates  
Certified Public Accountant  
November 30, 2006



520 W. Elberta Dr.  
Pleasant View, Ut 84414  
Main Office (801) 782-8529  
Police Dept. (801) 782-6736

January 5, 2007

Steve Johnstun and Associates  
3590 Harrison Blvd. Suite G-2  
Ogden, Utah 84403

Dear Sirs:

We would like to extend our appreciation in connection with your audit for the year ended June 30, 2006, and would like to respond to your recommendations.

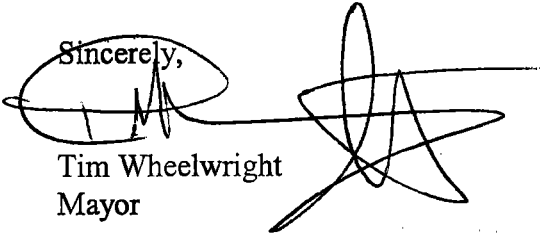
The City has increased the bonding requirements for the City Treasurer to \$250,000.

At the beginning of the 2007 year, we will have the city council adopt a specific dollar amount to be capitalized. We will also create a program for tracking fixed assets.

We will have the city council address the adoption of a purchasing policy for the RDA.

We would like to thank you for all the assistance throughout the year that your office provides the city.

Sincerely,

  
Tim Wheelwright  
Mayor